

CULTURAL ENDOWMENT FUND

State Investment Board Balance Sheet As of 8/31/2008

| | As of <u>8-31-08</u> | As of <u>6-30-08</u> |
|---|-------------------------|-------------------------|
| ASSETS: | | |
| INVESTMENTS (AT MARKET) | | |
| DOMESTIC EQUITIES | \$ 121,349 | \$ 116,671 |
| INTERNATIONAL EQUITIES | 25,917 | 25,632 |
| DOMESTIC FIXED INCOME | 98,808 | 104,429 |
| REAL ESTATE | 13,313 | 13,979 |
| INVESTED CASH (NOTE 1) | <u>8,140</u> | <u>8,447</u> |
| TOTAL INVESTMENTS | 267,527 | 269,158 |
| RECEIVABLES | | |
| DIVIDEND/INTEREST RECEIVABLE | (23) | 35 |
| MISCELLANEOUS RECEIVABLE | <u>0</u> | <u>0</u> |
| TOTAL RECEIVABLES | (23) | 35 |
| OTHER ASSETS | | |
| INVESTED SECURITIES LENDING COLLATERAL (NOTE 2) | 6,303 | 6,303 |
| OPERATING CASH | <u>147</u> | <u>152</u> |
| TOTAL ASSETS | <u>\$ 273,954</u> | <u>\$ 275,648</u> |
| LIABILITIES: | | |
| SECURITIES LENDING COLLATERAL (NOTE 2) | 6,303 | 6,303 |
| ACCOUNTS PAYABLE | 1 | 2 |
| ACCRUED EXPENSES | 3 | 3 |
| INVESTMENT EXPENSE PAYABLE | <u>354</u> | <u>354</u> |
| TOTAL LIABILITIES | 6,661 | 6,662 |
| NET ASSETS AVAILABLE: | | |
| NET ASSETS AVAILABLE BEGIN OF YEAR | 268,986 | 274,568 |
| CASH IN DURING YEAR (NOTE 3) | 0 | 16,500 |
| CASH OUT DURING YEAR (NOTE 4) | 0 | 0 |
| NET INCREASE (DECREASE) | <u>(1,693)</u> | <u>(22,082)</u> |
| NET ASSETS AVAILABLE END OF PERIOD | <u>267,293</u> | <u>268,986</u> |
| TOTAL LIABILITIES & NET ASSETS AVAILABLE | <u>\$ 273,954</u> | <u>\$ 275,648</u> |

CULTURAL ENDOWMENT FUND

State Investment Board Profit and Loss Statement For the Month Ended 8/31/2008

| | Month Ended <u>8-31-08</u> | <u>Year-to-Date</u> |
|--------------------------------------|-------------------------------|-----------------------|
| ADDITIONS: | | |
| INVESTMENT INCOME | | |
| INTEREST/DIVIDEND INCOME | \$ 705 | \$ 1,363 |
| SECURITIES LENDING INCOME | 16 | 31 |
| | <u>721</u> | <u>1,394</u> |
| GAIN ON SALE OF INVESTMENTS | 5,217 | 9,875 |
| LOSS ON SALE OF INVESTMENTS | <u>5,073</u> | <u>10,467</u> |
| NET GAINS (LOSSES) INVESTMENTS | 144 | (592) |
| INVESTMENT EXPENSES | 72 | 362 |
| SECURITIES LENDING EXPENSES | 10 | 19 |
| NET INVESTMENT INCOME | 783 | 421 |
| NET APPREC (DEPREC) MARKET VALUE | 397 | (2,107) |
| MISCELLANEOUS INCOME/(EXPENSE) | <u>(2)</u> | <u>(3)</u> |
| TOTAL INVESTMENT INCOME | <u>1,178</u> | <u>(1,689)</u> |
| DEDUCTIONS: | | |
| ADMINISTRATIVE EXPENSES | 2 | 4 |
| NET INCREASE (DECREASE) | <u>\$ 1,176</u> | <u>\$ (1,693)</u> |

CULTURAL ENDOWMENT FUND
Notes To Financial Statements
August 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.